

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#20 MAY 17, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavy
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

John F. Schunhoff, Ph.D.
Chief Deputy Director

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
partners*



www.dhs.lacounty.gov

May 17, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF SOLE SOURCE AGREEMENT WITH PUBLIC HEALTH
FOUNDATION ENTERPRISES FOR THE ENCOUNTER SUMMARY SHEET
PROJECT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of a sole source Agreement with Public Health Foundation Enterprises for the provision of project management, development, implementation and evaluation services for enhancements to the Health-e-LA Encounter Summary Sheet Project.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute an Agreement with Public Health Foundation Enterprises (PHFE) for project management, development, implementation and evaluation services for the Enhanced Encounter Summary Sheet (ESS) project, effective upon Board approval through December 31, 2012 for a maximum project obligation not to exceed \$1.5 million, subject to review and approval by County Counsel (Counsel).

2. Authorize the Director, or his designee, to execute an amendment to the Agreement to extend the term for six months, subject to the approval of Counsel, and notification to your Board, with no change in the maximum

obligation.

3. Delegate authority to the Director, or his designee, to execute future amendments to the Agreement to: a) revise or incorporate provisions consistent with all applicable State and/or federal law and regulations, County Ordinances and Board policy; and b) make appropriate changes to the Agreement to improve operational efficiencies, add clarity, and/or correct errors and omissions, subject to prior review and approval by Counsel and notification to your Board and the CEO. Further delegate to the Director, or his designee, authority to make adjustments in project tasks and deliverables, program budget categories, and other project scope adjustments, as needed, to adapt to requirements identified jointly by DHS and the CEO over the remaining course of the project to leverage funding and technology improvement opportunities through the Los Angeles Network for Enhanced Services (LANES).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow DHS to execute an Agreement with PHFE, as the fiscal intermediary and project manager for the ESS Project, to complete the second phase of the implementation of the enhanced ESS for the remaining PPP Strategic Partners. This will complete full installation across the program participants. Your Board was provided notice, on January 25, 2011, that DHS would be initiating sole source negotiations with PHFE for continued program management of this project.

Recognizing that access to clinical and administrative information at the point of care was needed for seamless health care delivery across the broad geography of Los Angeles County, DHS developed and implemented in 2007 a continuity of care record known as the Encounter Summary Sheet (ESS). The ESS provides a patient history of aggregated data from across DHS and the PPPs that is web-accessible and includes administrative and clinical information, such as diagnostics and frequency of visits, procedures performed, past and future appointments and a history of DHS dispensed medications for patient coordination of care and treatment. Currently this ESS "document" only records information for the services that patients receive at DHS facilities and dated claims data for DHS-reimbursed services provided by the PPPs. This data was initially only accessible to clinicians at DHS facilities.

Health-e-LA is a public/private collaborative of healthcare plans and providers, healthcare associations, and public agencies dedicated to developing an infrastructure for multi-organizational electronic exchange of clinical healthcare information for treatment purposes throughout the County, primarily among safety net providers and their healthcare affiliates. The coalition was launched in early 2004 and is now governed by a Board of Directors consisting of representatives from the following organizations: Kaiser Permanente, the Community Clinic Association of Los Angeles County (CCALAC), L.A. Care, HIMSS Southern California Chapter, and DHS. The Health-e-LA collaborative is supported and coordinated by Public Health Foundation Enterprises (PHFE), which acts as the Health-e-LA fiscal intermediary and project management firm.

In 2008, Health-e-LA received \$1.3 million in funding from Pacific United to begin a multi-phase effort to enhance the ESS by developing interfaces between an initial number of PPP disease management programs and the DHS enterprise data repository (EDR). This enhancement was designed to improve the timeliness and quality of information flow from the PPPs to the EDR. Data from both DHS and the PPPs would be made available within a 24-48 hour time period along with

some commonly used laboratory results. PHFE was engaged by Health-e-LA to provide the project oversight services, purchase of software and hiring of technical staff for the implementation.

Full implementation of the enhanced ESS will dramatically improve data completeness and timeliness of clinical information reflected in the ESS and make the data available electronically to clinicians for treatment purposes at the PPPs as well. The recommended Agreement with PHFE will allow the organization which has been providing program oversight and the hiring and management of the technical staff for the enhanced ESS to complete the enhancements positioning the system to migrate to a health information exchange (HIE) when the LANES HIE.

Approval of the second recommendation will allow the Director of Health Services to extend the Agreement for six months should unforeseen delays or programmatic challenges prevent completion within the projected timeline, which is currently May 2011 through December 2012.

Approval of the third recommendation will allow DHS to update the Agreement for regulatory or statutory changes, correct any errors or omissions, allow budget adjustments and changes to the projects tasks and deliverables to accommodate technology improvements and leveraging opportunities over the course of the project, including operational changes which result from the restructuring of the ambulatory care system and health care operations in the County and further development of a Countywide HIE.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The projected \$1.5 million in costs for the Enhanced ESS Project will include funding for a project director; contract staff to implement the Enhanced ESS Project system changes and to work with the impacted community clinics; software purchase and maintenance fees; and hardware and the associated interface fees to allow connectivity to the LANES HIE.

One-time funding of \$1.5 million was approved on January 27, 2009 for the Enhanced ESS Project as part of the recommendations adopted by your Board from the Public Private Partnership (PPP) Allocation Workgroup.

On January 12, 2010, this funding was allocated as part of the Clinic Capacity Expansion Project (CCEP) which included \$1.0 million in the DHS FY 2010-11 budget for the ESS Project based on the anticipated timeline for implementation. On April 19, 2011, a Budget Adjustment was approved which included an adjustment to allocate the remaining \$0.5 million in funds from the Provisional Financing Uses budget to the DHS FY 2010-11 budget for this project.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Recognizing the dramatic improvement in information available across the enterprise to improve health outcomes at both DHS and PPP sites, your Board authorized the \$1.5 million to complete the enhancement of the ESS, improving the quality of information available through the EDR and positioning DHS and the enterprise service delivery structure to leverage future opportunities in systemic migration towards a HIE. To capitalize on development of an HIE, \$750,000 of the \$1.5

million has been identified as matching funds for the Cal eConnect grant awarded to LANES for development of the HIE, with no additional impact on the County. The Agreement to accept the Cal eConnect grant award is being presented to your Board in a separate action.

Prior to the ESS, there was no shared patient identification, data aggregation and no electronic communication. The ESS provided basic data aggregation and information on patients accessing care at DHS and PPPs; however, the delay in data transmission from the PPPs could be upwards of 30-90 days. The Enhanced ESS Project will provide more value and improve timeliness of data across the enterprise connecting the clinics' to the countywide LAC DHS systems within 24-48 hours., thus laying the groundwork for additional HIE efforts with other systems. In short, this exchange of data represents a profound improvement in coordinated care and treatment throughout the County, which will strengthen the entire safety net system and ultimately provide more information at the point of treatment for improved health care operations and service delivery.

In addition to the improved coordination of care and treatment, completion of the enhanced ESS project will dramatically impact the coordination and overall integration of the health care operation's safety net delivery system throughout the county. In the planning of this project, key committees have been formed between the DHS, clinics, CCALAC, and other key stakeholders. That work will continue with support for this project. These committees continue to share legally permissible information on their respective projects and explore additional areas where improved health care coordination can enhance treatment outcomes. Health-e-LA is aware of multiple independent efforts within the county to build communication across divergent health systems and has, and will continue, to reach out to these entities to build an even broader, stronger countywide HIE system.

DHS is currently finalizing the Agreement with PHFE. County Counsel will review and approve the final Agreement prior to execution. The Agreement may be terminated for convenience by the parties upon 30 days prior written notice.

CONTRACTING PROCESS

DHS notified your Board on January 25, 2011 of the intent to enter into sole source negotiations with PHFE, for completion of the ESS Project. Utilization of the same project manager for the entire implementation of the ESS Project will result in lower implementation costs, continued pace of program implementation and continuity in management in the complex process of multi-partner program coordination. A Sole Source Checklist is attached In accordance with Board Policy 5.100.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will ensure completion of the enhanced ESS, improve data collection across the service delivery system, and accelerate the speed of patient information availability to providers to improve health care treatment and health care operation outcomes, reduce costs and duplication of diagnostic testing and increase patient satisfaction.

The Honorable Board of Supervisors

5/17/2011

Page 5

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

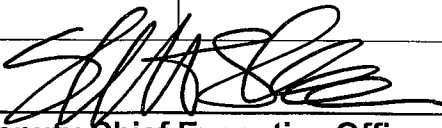
MHK:mjj

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Chief Information Office

ATTACHMENT II

SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS <i>Identify applicable justification and provide documentation for each checked item.</i>
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
X	➤ Other reason. Please explain: Public Health Foundation Enterprises (PHFE) received the initial grant to implement the Encounter Summary Sheet Project (ESS) with the Public Private Partnership Strategic Partners and continues to be the project manager on the project. On January 27, 2009 the Board of Supervisors approved the Clinic Expansion Project as well as funding for \$1.5 million for the ESS. The recommended agreement will ensure continuity of PHFE as the project manager and usage of the same software contractors and technical personnel to complete the project without interruption.
 Deputy Chief Executive Officer, CEO	5/3/11 Date